Inquiry into Opportunities for Participation of Victorian Seniors – Submission To The Family and Community Development Committee
Inquiry into Opportunities for Participation of Victorian Seniors

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Age Friendly Environments
1 Executive Summary

Victoria is faced with a looming crisis in respect to how we house and care for an older population.

Population growth in older demographic segments, increasing numbers of seniors with co-morbidities and a long-term reduction in the number of taxpayers per retiree all highlight the fact that our State is faced with the prospect of supporting larger numbers of older people who are living longer than ever before.

Seniors have, in their individual ways, contributed to the growth of our great nation and have earned the right to exercise choice when it comes to their own accommodation and service options in later life.

One such option is retirement village living, a model that has emerged over the past 30 years or more and now houses more than five per cent of people aged over 65 years (and more than ten per cent of those over 75).

The profile of the retirement village industry, in its current form, is diverse, spanning church and charitable operators, larger listed entities (who run multiple villages) and smaller independent operators. This mix of operators ensures both choice and economic diversity.

Nationally we have over 1,900 retirement villages (with a construction value in excess of $50 billion) and 160,000 or more residents. The industry now represents a critical element of housing and care options for older Australians and Victorians.\textsuperscript{1}

In Victoria, currently 30,000 people live in one of the 360 retirement villages that have been developed over the past 30 years.

The Future of Seniors Accommodation

It is clear that retirement villages will continue to represent an essential component of housing for seniors in the future.

Between 2006 and 2036, Victoria’s population is projected to increase by 2.27 million. The number of people aged 65 and over by will increase by 910,000.\textsuperscript{2}

Even based on current penetration rates, a projected growth of nearly a million people aged 65 and over in the next 25 years would require an additional 455 villages to meet demand. Given that we have 360 villages (almost 25,000 units) in Victoria now, it is evident that we need to more than double the size of the industry in the next 25 years.

Should retirement village housing stock not be available, there would be three clear socio-economic drawbacks:

1. 70,000 or more residents would have to be housed in standard residential stock (that in many cases would be too large, difficult to maintain, decrease stock available to younger families and heighten social isolation);

\textsuperscript{1} Jones Lang Lassalle, 2011.
2. A need for more investment by government in health care, public housing and home-based care (a significant proportion of which is currently provided in retirement villages); and

3. Direct and indirect economic impacts relating to employment opportunities, investment in infrastructure and the construction industry.

Such a future would serve older people poorly – not only would it limit options for seniors searching for age-appropriate accommodation that meets their physical and healthcare needs but it ignores in totality the individual and community benefits retirement villages can offer.

It is therefore vital that the retirement village industry is considered in conjunction with the aged and community care sectors: only through a fully integrated approach to housing and care supports can we create a dynamic, consumer-driven industry that will stand the test of time.

**Future Challenges**

In order to facilitate good outcomes for people seeking purpose built accommodation for seniors the RVA’s key focus is the identification of opportunities, both in the shorter- and longer-term, that would facilitate constructive industry growth for the benefit of not just Victorians, but for all older Australians.

Three key challenges to housing and care provision for older Victorians are inhibiting supply of new accommodation. They include:

- Taxation, rates and charges
- Access to land and capital; and
- Regulatory barriers.

**Working with Industry to Meet the Needs of Victorian Seniors**

Retirement villages offer a range of economic, housing, health, social, individual and community benefits.

The opportunity is ripe for government to support our industry’s growth and recognise our ability to provide quality housing and care for the burgeoning numbers of older Victorians in our community.

If the retirement village industry is not encouraged or supported by government in its endeavours to offer consumers more choice, local communities will face residential housing constraints and the accommodation and service options for ageing Victorians will be curtailed.

A stagnant retirement village industry, which currently receives little or no government subsidies, would result in a transfer of costs back to the public purse since the government would have to meet – and construct – the shortfall of appropriate housing. This in turn would restrict the options available to ageing Victorians, not to mention hampering their access to the health and community benefits generated by a competitive retirement village industry.
2 RVA Recommendations

Recommendation 1

The Victorian State Government to continue to work with the retirement village industry to address the key barriers to developing more fit-for-purpose accommodation for Senior Victorians.

Recommendation 2

The Victorian State Government support the industry’s call to the Commonwealth Government to consider GST-free treatment for the development of retirement villages to facilitate the delivery of more purpose built accommodation for older people.

Recommendation 3

The Victorian State Government to consider the establishment of Housing Strategies to accommodate the needs of ageing Victorians at an LGA level including actions that encourage supply of specific accommodation (including retirement villages) to meet their needs. This could include such initiatives as:

• consider that the release of new land include a caveat for the development of a retirement village component among the infrastructure requirements (ie. To encourage an appropriate social housing / inter generational mix in developing communities)
• consider of ‘as of right’ planning applications for development that delivers housing for older people
• other development incentives or zoning that encourage delivery of housing for older people
• working with industry to deliver inner urban solutions (where development of villages is most difficult and costly), including investigation of surplus government or brownfield sites that could accommodate seniors living

Recommendation 4

Ensure industry regulation that is focused on affordable, flexible accommodation and care options, which promote a transparent, fair legislative framework (not an unfair and restrictive compliance burden).

Recommendation 5

That the Victorian State Government establishes a regular forum with the retirement village industry to consult on responsive strategies to increase the level of accommodation and care choices for older Victorians, that can effectively be delivered with economic efficiency in a village setting.
2.1 Disclaimer

This submission has been prepared by the Retirement Village Association (RVA) Ltd and Deloitte and is intended for the purpose described in this report and not for any other purpose. The contents of this submission should not be reproduced without the express permission of RVA Ltd.
3 Introduction

3.1 Inquiry context

Overview

The Family and Community Development Committee is undertaking an Inquiry into Opportunities for Participation of Senior Victorians. We understand that as part of its formal consultations for the Inquiry, the Committee will hold its first public hearings in September and October 2011.

The RVA has developed this submission to respond to the key issues raised in the Terms of Reference (“TOR”), in particular key issues faced by Senior Victorians now and in the years to come.

Terms Of Reference

The Family and Community Development Committee has been asked by the Legislative Assembly to inquire into the opportunities for participation of Victorian seniors. The Committee is asked to:

a) review national and international literature on preparing for an ageing society;

b) consult with older Victorians and representative bodies and with Victorians planning for ageing well;

c) examine the contribution of, and challenges facing, older members of the Victorian community from diverse cultural and linguistic backgrounds;

d) identify the role of government in supporting older Victorians and the intersection of Federal, State and Local Government service provision and their responsibility to seniors;

e) consider the economic significance of older Victorians in the paid workforce and the voluntary sector and barriers to participation for those Victorian seniors who desire to work in or contribute to the community, and how willing economic and social contributions can be fostered;

f) consider ageing well in terms of quality of life and community participation, including the specific and different issues faced by men and women, older Victorians from different age cohorts, and those living in rural and regional areas;

g) examine the role and interrelationship of active, successful, positive and productive ageing approaches in promoting better health;

h) develop recommendations or strategies for whole of government and community responses to the needs of older Victorians now, and into the future, and incorporate in the recommendations the best international practice in support of ageing well.
Key questions of the Inquiry include:

- In what ways do senior Victorians contribute to society and the economy?
- Based on the Terms of Reference, what do the RVA see as the top three concerns for senior Victorians?
- What do the RVA see as the emerging issues for senior Victorians over the next 20 years?

3.2 The Retirement Village Association

The RVA is Australia’s peak body for the retirement village industry. We represent 800 village and associate members nationally and play a critical role in the ongoing growth and sustainability of the retirement village industry.

With offices located in Brisbane, Sydney, Melbourne, Adelaide and Perth, RVA membership consists of retirement village operators, managers, owners, developers, investors and industry specialists across Australia. As the leading industry voice, the principal objectives of the RVA are to:

- lead the building and growth of a sustainable and responsible industry;
- advocate and strengthen our relationships with local, state and federal governments to ensure the best legislative outcomes for the retirement village industry;
- encourage industry excellence and best practice through accreditation and facilitate quality improvement through an effective and relevant professional development program; and
- support and promote the benefits of retirement villages as ‘the preferred choice of lifestyle for senior Australians’.
4 Retirement Villages as a Pathway to Care for Older Victorians

4.1 Ageing Well

The Inquiry has raised some significant issues for older Victorians to which the retirement village industry can, in partnership with government, play an increasing role.

The Committee has outlined that the concept of “successful ageing” concerns the maintenance of wellbeing and quality of life of older people and is mainly focused on the experience of individuals.

Approaches such as “positive ageing” and “productive ageing” emphasise the contribution of older people to the economy and society, and aim to address ageing both at an individual and society level.

The Active Ageing Framework, developed by the World Health Organisation (WHO) in 2002, defines “active ageing” as “the process of optimising opportunities for health, participation and security in order to enhance quality of life as people age”.

A significant aspect of active ageing is the need to ensure the health and wellbeing of older people to allow them to participate to their full capacity for longer.

One of the key issues facing Victorians as they age is the type of positive environments in which to live in, particularly as health issues begin to emerge and planning for future care becomes a reality. Therefore, retirement villages are a perfect setting to achieve the objectives outlined by the WHO above.

The retirement village industry has grown significantly over the past three decades and has evolved to meet the needs of discerning and dynamic consumers aged 65 and over. Initially, the industry was (and a number of operators still are) focussed on post retiree markets looking for independent lifestyles including leisure and travel. Villages presented a range of benefits for social interaction and communal living and prolonged independence.

However, industry analysis reveals that the profile of consumers has gradually changed over the past twenty or so years, as has the corresponding role of retirement villages. People are now moving into retirement villages later in life and often staying for longer periods because many of their care and support needs are met within a village. RVA research highlights that the average of age of a resident in a retirement village in Australia is 78 years old and the age of entry is 73.

Residents are therefore departing more frail and delaying (or even negating) a move into higher levels of aged care.

This concept of service-rich accommodation is also known as ‘service integrated housing’. A recent report by the Australian Housing and Urban Research Institute (AHURI)\(^4\), described service integrated housing as:

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... all forms of housing for people in later life where the housing provider deliberately makes available or arranges for one or more types of support and care, in conjunction with the housing provision.

The report states that interest in this form of housing has been driven by the ageing of the population and the impact of disability and frailty on the capacity of many individuals and households to manage tasks of daily life without support.

The report highlights that

... While the majority of those in need of assistance live in the general community with care from formal services and/or family or other informal carers, a proportion live in a range of purpose-built housing for older people that also provides varying levels of support and care services. Little systematic information is available on these forms of housing and the services they provide, but there is increasing recognition that as the period of later life for many Australians lengthens, and as the overall number of older Australians grows, greater consideration needs to be given to the range of housing and care choices available to older Australians.

RVA members are committed to upholding models of high quality yet affordable housing that can maximise the delivery of flexible, customer-responsive care services: it makes sense, therefore, that retirement villages be recognised as a key element in the spectrum of housing and support services for seniors.

However, there are a number of critical constraints (discussed later in this submission) that are a significant barrier to delivering more fit-for-purpose accommodation in Victoria.

**Recommendation 1**

The Victorian State Government to continue to work with the retirement village industry to address the key barriers to developing more fit-for-purpose accommodation for Senior Victorians.

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5 Role of Government

5.1 Government and the Retirement Village Industry

Each level of government plays a critical role in assisting the industry to continue to deliver accessible and well-located villages across Victoria.

One of the key objectives of the RVA is to advocate and strengthen our relationship with the Victorian State Government to address the future housing crisis for an ageing population and enable people to have choice in their options for housing and ultimately, care. This is critical as the industry crosses all levels of government, each having a different but linked role:

At a local government level there is a great need to need to facilitate supply of retirement village accommodation, particularly in areas where there are limited or no opportunities. Often the development of villages is hindered by Council planning approaches and a lack of understanding regarding the benefits villages deliver to a community. Retirement villages have a great role to play as they:

- enable people to downsize and live affordably as they age
- deliver purpose built communities with a full suite of infrastructure
- enable people to age near to the areas they live in or grew up in,
- contribute to the diversity of housing stock and density targets in suburbs (including inner urban areas), and
- reduce the economic burden across all levels of government in delivery of housing and support of older people.

At a Victorian State Government level there is an important role in establishing an environment in which the industry can flourish to deliver more housing for seniors and to ensure that the consumer is well protected (which it is under current legislation). A key role is in the development and implementation of planning policy, particularly to facilitate inner urban delivery that has been difficult with site availability and cost of land (see Section 5.3).

The Commonwealth Government level currently intersects most readily in the area of taxation. The industry is currently struggling with tax constraints that appear out of step with other economic and social policy that aims to deliver increased housing and care for older people. The industry would welcome GST free status, which would have considerable impact on the ability of the industry to continue to supply specific accommodation for older Victorians (see Section 5.3).

5.2 The Importance of the Industry

Retirement villages began to be developed in the 1980s, with strong origins in Victoria. More than ever, it is critical the private sector along with the church and charitable organisations that develop and operate retirement villages (and for many also aged care facilities) be fostered to deliver housing and support solutions for
older people. The industry and its evolution are vital to meeting the future needs of older Victorians.

The benefits of villages to older people are obvious. A retirement village essentially can be defined as a housing development designed specifically to cater to the needs and lifestyle of people aged 65 and over. The majority of people enter villages in their early to late 70s, as part of a move to downsize, decrease maintenance responsibilities, experience a greater sense of safety and security, or for health and lifestyle reasons.

Not only has this lifestyle shift been of benefit to residents, but it has also freed up residential housing for younger families, stimulated the local economy and reduced the pressure on medical and hospital infrastructure.

The concept of a retirement village was originally based around a communal ‘village’ style of living that enabled residents to have access to lower maintenance housing in a more supported environment.

Throughout the 1990s and into the new millennium, retirement villages were sometimes rebadged as ‘lifestyle options’ for retirees, with an extended target market of the over 60s. This type of village places a greater emphasis on lifestyle and leisure products and services, which, in turn, relaxes the demand on local services.

More recently the sector has seen entry from large listed entities and more traditional residential developers. This has brought with it a greater standardisation of professional benchmarks, greater service accessibility and a heightened industry profile. Today we see an industry that is more economically and organisationally evolved than ever before. Our profile nationally consists of:

- Approximately 60% of for profit operators, which includes two sub sets:
  - Larger groups operating multiple sites (e.g. FKP Aveo: 80 villages; Lend Lease: 70 villages; Stockland: 60 villages). This cohort now represents around 40% of the industry.
  - Small to mid size independent operators, who manage one to three villages and who were the pioneers of this industry’s growth. This group represents around 20% of the industry today.

- 40% of not for profit groups, including a range of church and charitable organisations (e.g. Southern Cross Care, Catholic Health, Anglican Aged Care). Many of these groups also deliver aged and community care accommodation and services.

What is clear is that the private sector plays a vital role in the provision of housing for older people in this State.

**Demand Drivers**

The retirement village industry is emerging as an economically significant provider of housing for older Australians. The importance – and scalability – of the sector’s contribution should not be underestimated: nationally, retirement village housing
Inquiry into Opportunities for Participation of Victorian Seniors

accommodates more than 160,000 people (30,000 in Victoria), or just over 5% of those aged 65 and over.

The combination of an ageing population and a greater understanding and acceptance of the benefits of living in a retirement village could result in penetration rates in excess of 7.5–8% in the next 15 years. If the accompanying (and increasing) demand for care and support is overlaid, retirement villages in their optimal forms constitute meaningful, efficient service and accommodation hubs.

Retirement village operators are keenly aware of the demographic, economic, social and community benefits offered by such forms of senior’s housing and a range of new developments are planned.

Currently, over 122 new villages, constituting nearly 11,000 new units are either proposed, approved or under construction. Of the 360 existing villages in Victoria, staged construction has commenced on the expansion of 53 villages. Once construction is complete it will bring online an additional 4,302 units.

These estimates exclude projects ‘on hold’, many of which, in the current restrictive climate, may not proceed or be deferred indefinitely.

Many of these delays have been triggered or accentuated by constraints associated with the global financial crisis, which has slowed construction rates and exacerbated the latent pent up demand for senior’s housing.

Conservatively, the RVA values the industry at in excess of $10 billion of construction value in Victoria alone.

Economic modelling undertaken by KPMG-Econtech for the RVA in August 2011 shows the retirement village sector (at a National level) contributes up to:

• $4.7 billion in turnover across the Australian economy, comprising the operations of retirement villages themselves and in the broader economy;

• $2.8 billion to Australia’s GDP;

• 38,000 jobs across retirement villages, construction and other sectors supporting retirement village services.

Whilst it is clear from this information the retirement village story so far has been a successful one, emerging policy changes from both state and federal governments put this contribution to the economy at risk.

What these statistics also suggest is that the retirement village industry, even at present levels, are demonstrating characteristics of a mature market including: sector consolidation and diversification; diversity in development models, and well articulated benefits and risks in respect to the sector.

What has been missing from this equation is an increased level of investment from government for the growth of the sector.
5.3 Current Constraints to Growth

Tax Policy

Current taxation structures reduce potential returns for retirement village operators, which are already smaller than other property investment classes and have longer return time frames.

As a result, many potential developers are reluctant to invest in the sector.

A recent final ruling (GSTR2011/1) issued by the Australian Tax Office (ATO) in April 2011 regarding the treatment of GST in retirement village developments, further provides disincentives to investment and development in the sector.

It will further inhibit supply by rendering existing villages as not saleable or negatively impacting valuations to the extent that owners are in breach of loan covenants.

Whilst the ATO ruling is on the surface a Federal issue, as it involves GST, we are of the view that the Victorian State Government need to be involved and that the Federal Government will respond to calls from the states to overturn a ruling that will result in less development (less stamp duty, less jobs, more pressure on government services etc.) that will more than negate the extra amount of GST that will be raised, as is proposed by the new ruling.

The importance of additional housing developments for seniors requires investment stimuli that could be achieved, for example, through GST free treatment.

This is particularly confusing, given the recent Final Report by the Productivity Commission, Caring for Older Australians, which is seeking increase the level of choice in housing and care for older people. Tax Policy appears greatly out of step with broader social and economic policy of the government.

Recommendation 2

The Victorian State Government support the industry’s call to the Commonwealth Government to consider GST-free treatment for the development of retirement villages to facilitate the delivery of more purpose built accommodation for older people.

Land Availability

Access to cost effective land is one of the key impediments to increasing the supply of housing for older people. This has a number of impacts including:

• Proliferation of senior’s housing in fringe areas, where land is cheaper but infrastructure, transport and community infrastructure is in shorter supply;

• Lack of housing in inner - urban areas, where many older people want to age in place;
• Not promoting delivery of affordable housing;

• Not stimulating apartment style product that also meets government housing policy; and

• A lack of planning certainty for developers that mitigates against development as a consequence of long planning timeframes and increased costs.

Current planning systems are driven by the state and implemented a local level. This system is not conducive to accelerated planning to ensure housing is delivered in an appropriate range of formats for older people and in the locations they wish to live (and age in place).

The issue of senior’s housing is so significant that a nationally driven, Commonwealth-lead set of planning targets (for a set quota of housing to meet demand in specific areas) would better ensure the ageing community is able to have access to housing.

Planning reforms that are targeted towards the delivery of senior’s housing would assist the industry to deliver a wider range of products. Such reforms could include:

• Initiatives to speed up planning timeframes;

• Addressing local government disparity in the way in which senior’s housing is assessed (e.g. Code accessibility);

• Adding a requirement for land purchasers to include a percentage of land development targeted to senior’s housing;

• Allowing different zonings for retirement villages to be accommodated in association with other relevant uses (retail, commercial, mixed use etc);

• Allocating surplus public land specifically for specific senior’s housing;

• Ensuring senior’s housing targets for all developments, but particularly in inner urban areas and transport oriented developments (i.e. development around major transport nodes); and

• Providing other incentives to developers of senior’s housing (e.g. Increasing height limits, lowering car parking requirements, floor space ratio incentives) in other or linked developments.
Recommendation 3

The Victorian State Government to consider the establishment of Housing Strategies to accommodate the needs of ageing Victorians at an LGA level including actions that encourage supply of specific accommodation (including retirement villages) to meet their needs. This could include such initiatives as:

- consider that the release of new land include a caveat for the development of a retirement village component among the infrastructure requirements (ie. To encourage an appropriate social housing / inter generational mix in developing communities)
- consider of ‘as of right’ planning applications for development that delivers housing for older people
- other development incentives or zoning that encourage delivery of housing for older people
- working with industry to deliver inner urban solutions (where development of villages is most difficult and costly), including investigation of surplus government or brownfield sites that could accommodate seniors living

Removing Regulatory Burden

Although the regulatory burden experienced within the aged care industry is well publicised, the retirement village industry too, is struggling under the weight of regulatory burden that exists.

Many operators are faced with the management of complicated business models that increase administrative and compliance costs. Current regulations, it must be acknowledged, are comprehensive and offer a high level of protection for the consumer.

However, the constant changes and up-scaling of various aspects of regulation only serves to increase consumer uncertainty and adds cost to the industry. The net result is often the requirement to raise service charges, which impacts the resident and does not promote affordability.

Moreover, the changes to regulation are often raised in the context of reducing the level of tribunal cases that occur. This is a frustrating rationale for the industry considering retirement village-based tribunal matters are very small in Victoria.

The retirement village industry therefore seeks more certainty and transparency in regulation, which could in turn be applied across jurisdictions.
Recommendation 4

Ensure industry regulation that is focused on affordable, flexible accommodation and care options, which promote a transparent, fair legislative framework (not an unfair and restrictive compliance burden).
6 Age Friendly Environments

6.1 Villages as a Solution

As outlined in the submission guidelines presented by the Committee, in 2007, the WHO developed the Guide to Global Age-Friendly Cities\(^5\). This guide sets out to tackle ageing as a societal concern and outlines strategies in eight subject areas:

- outdoor spaces and buildings;
- transportation;
- housing;
- social participation;
- respect and social inclusion;
- civic participation and employment;
- communication and information;
- community support and health services.

Villages deliver to resident’s key benefits in each of the areas outlined above, and are crucial social infrastructure for our community now and in the future. Retirement villages do not simply offer small units clustered in a seniors ‘enclave’. Rather, they represent a sophisticated range of accommodation choices for seniors to live in integrated communities, receive flexible levels of care and support and enjoy a better quality of life.

The most common type of retirement village residence is generally known as an independent living unit (ILU), independent living apartment or villa. These homes can be one, two, three or four bedroom dwellings that form part of a high or medium rise complex, a terrace, be semi-detached or stand alone, depending on the nature of the development. ILUs/villas are largely designed to accommodate active or semi-active retirees who choose to live independently within a retirement village environment, although services are increasingly delivered into the homes of those who require additional support.

Serviced apartments are also often located in retirement villages and these provide supported accommodation for residents who require some assistance with the activities of daily living. Serviced apartments usually consist of studio apartments and one or two bedroom apartments, into which services such as cleaning and laundry can be delivered. Meals are also provided via a communal dining room setting, although a small kitchenette can also be found within many apartments. Although this form of service-rich accommodation should constitute an attractive option for frailer seniors, many operators experience higher vacancy rates in their serviced apartment stock because the apartments do not attract government care subsidies.

On-site Amenities

Most retirement villages include some level of on-site amenity that supports or enhances the quality of life of residents. These can range from elaborate community facilities with seniors friendly gymnasiums and swimming pools, to consulting suites for visiting general practitioners, organised social outings, provision of transportation or meeting rooms.

It is also important to note that some villages offer facilities and services that are not only open to residents but can also be accessible to the broader community (e.g. Village Baxter in Victoria). These not only enrich the quality of life of residents and local people, but they can also reduce the drain on other public infrastructure in the community. Such amenities may include:

- Community centres
- Cinema
- Aquatic facilities
- Library
- Gymnasia / health facilities / recreational facilities etc

Safety and Security Features

One of the most attractive features of a retirement village for residents is the inclusion of additional safety and security features – elements that have been consistently identified as a vital element of an older person’s general sense of wellbeing.

Retirement villages usually offer some level of on-site or off-site emergency call system and 24 hour monitoring service. This means that residents not only have the peace of mind of knowing that help is a phone call or call bell away, but that staff are often on site to provide first aid support as a minimum requirement right through to qualified nursing assistance.

6.2 Pathways to Care

Changing Consumer Profiles

RVA members have reported that the profile of residents is changing. People are moving into retirement village settings later in life and staying longer, often because of the range of health and support options villages provide. Indeed, studies have demonstrated not only the service and cost efficiencies of delivering care services
into retirement villages\(^6\) but more notably, the decrease in mortality risks when social relationships are strongly supported.\(^7\)

The retirement village industry has therefore already begun to embrace a consumer-directed, service-driven approach to retirement village housing. Customers are increasingly demanding greater levels of care and support and they want clearly identified accommodation and service pathways as their care needs develop.

AHURI notes that

\[\ldots\text{The growth of service provision in retirement villages, and particularly in assisted living apartments, appears to have been stimulated in part by the slowing of hostel development from the early 1990s within the residential aged care program, and by the expansion of HACC and particularly CACPs which could be drawn on to provide higher levels of support and care. While individual residents could access generally available HACC services and care packages on the basis of assessed need, retirement village operators who were also Approved Providers of Commonwealth funded programs could apply for packages to be delivered to residents in their villages as well as to those living in the wider community.}\(^8\)

\[\text{Figure 1. Senior's housing to Aged Care}\]

\[\ldots\]


Although the retirement village industry is already in the process of re-orientating to meet customer preferences, it is vital that there be corresponding support from all levels of government if any scale efficiencies and quality measures are to be maximised.

Many operators now offer a range of care options within and out of their villages, but are struggling with a system that hampers them from delivering the optimum outcome for the resident.

Maximising Consumer Choice

Unlike a move into residential aged care (which is usually predicated by a sudden decline in health or escalation of a neurodegenerative disorder rather than being a desirable step), it is important to note that consumers choose to live in a retirement village and generally view this choice as a way of enhancing their quality of life.

In this current climate of focusing on consumer-directed care options and maximising customer choice, therefore, retirement villages are already practical examples of housing that embodies and enhances freedom of choice, flexibility of choice and choice of lifestyle.

That is not to say that the breadth of options cannot be further extended and supported: in the current environment retirement villages are resident-funded and receive no government subsidies, which hampers a truly competitive, market driven sector.

Individual and Community Benefits offered by Retirement Villages

Retirement villages are a valuable element of the aged care continuum and should be recognised (and supported) as such. A village hub provides a number of individual and community benefits, spanning:

- Support for individuals to continue living independently rather than being forced into the hospital or residential aged care systems;
- Enabling residents to establish new social networks, the health and wellbeing benefits of which are significant;
- Provision of support services, site monitoring and other forms of care that facilitate better outcomes for couples whose care needs differ (and the co-location of on-site residential aged care can further support residents whose partners require high level care);
- A greater focus on quality of life, which in turn reduces the financial burden on government (e.g. preventative health programs that decrease pressure on the public health system);
- Access to on-site facilities, which relieve pressure on local community services;
- Lifestyle and leisure programs that can integrate with/complement local services and in turn better support the local economy;
• Maintain and enhance the character of the local community through the establishment of multiple close networks – seniors, social, health, exercise, volunteering, etc; and

• Establishment of senior’s friendly infrastructure that relieves pressure on families, carers and government resources (including subsidised housing).

**Recommendation 5**

That the Victorian State Government establishes a regular forum with the retirement village industry to consult on responsive strategies to increase the level of accommodation and care choices for older Victorians, that can effectively be delivered with economic efficiency in a village setting.